

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

ADELPHIA RECOVERY TRUST,

Plaintiff,

- against -

BANK OF AMERICA, N.A., *et al.*,

Defendants.

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) No. 05 Civ. 9050 (LMM)(RLE)
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) **RULE 7.1 STATEMENT**
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RULE 7.1 SUPPLEMENTAL CORPORATE DISCLOSURE
STATEMENT OF DEFENDANT MORGAN STANLEY & CO. INCORPORATED

In accordance with Federal Rule of Civil Procedure 7.1, the undersigned counsel for defendant Morgan Stanley & Co. Incorporated ("Morgan Stanley") states as follows:

Morgan Stanley is a publicly held corporation that has no parent corporation. Based on Securities and Exchange Commission Rules regarding beneficial ownership, State Street Bank & Trust Company, 225 Franklin Street, Boston, Massachusetts 02210, beneficially owned 12.97% of Morgan Stanley's stock (based on a Schedule 13G filed February 12, 2008 by State Street, acting in various fiduciary capacities). On October 13, 2008, Mitsubishi UFJ Financial Group, Inc. ("MUFG") 7-1 Marunouchi 2-chome, Chiyoda-ku, Tokyo 100-8330, Japan, acquired 7,839,209 shares of Series B Non-Cumulative Non-Voting Perpetual Convertible Preferred Stock (the "Series B Preferred Stock"), that, subject to regulatory and shareholder approvals, are convertible at any time into shares of common stock of Morgan Stanley (based on a Schedule 13D filed October 23, 2008 by MUFG). Upon a determination by MUFG to exercise its right to convert the Series B Preferred Stock, MUFG's Series B Preferred Stock would be converted into

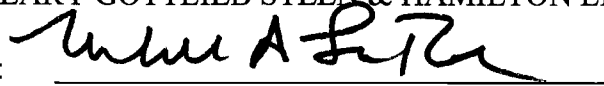
common stock, resulting in an approximately 22.62% beneficial interest in Morgan Stanley's common stock (based on a Schedule 13D filed October 23, 2008 by MUFG).

Dated: New York, New York
November 7, 2008

Respectfully submitted,

CLEARY GOTTlieb STEEN & HAMILTON LLP

By:



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